GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3097
ANSWERED ON:10.08.2001
CORPORATISATION OF STOCK EXCHANGES
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Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under the consideration of the Government for the Corporatisation of all Stock Exchanges;

(b) if so, the reasons thereof; and

(c) the time by which a final decision is likely to be taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (c): With a view to improving institutional mechanisms and trading practices in the stock markets, Government proposes to demutualise all stock exchanges, by which ownership, management and trading membership would be segregated from each other. This would help towards :

-• further professionalisation of the management of the exchanges and elimination of conflict of interests;

-• improving adherence to the best practices of Corporate Governance;

-• enhancing the ability of stock exchanges to raise funds from the market to modernise the exchanges and provide better investor service.

Government and the Securities and Exchange Board of India (SEBI) have initiated action in this regard.